



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

February 10, 2000

Burlington Resources Oil & Gas Company
P. O. Box 4289
Farmington, New Mexico 87499-4289
Attention: Peggy Cole

Telefax No. (505) 326-9833



Administrative Order NSL-4404

Dear Ms. Cole:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on February 8, 2000; and (ii) the Division's records in Santa Fe: all concerning Burlington Resources Oil & Gas Company's ("Burlington") request for an unorthodox gas well location within the Angels Peak-Gallup Associated Pool for the existing Huerfano Unit Well No. 227 (**API No. 30-045-20874**), located 1070 feet from the South line and 1840 feet from the East line (Unit O) of Section 32, Township 27 North, Range 10 West, NMPM, San Juan County, New Mexico.

According to the Division's well records the Huerfano Unit Well No. 227 was initially drilled in 1972 by El Paso Natural Gas Company and completed in the Basin-Dakota Pool within a standard 320-acre stand-up gas spacing and proration unit comprising the E/2 of Section 32 at a standard gas well location.

It is our understanding that Burlington intends to abandon the Dakota interval within this wellbore and recomplete up-hole into the Gallup formation in an attempt to establish commercial gas production.

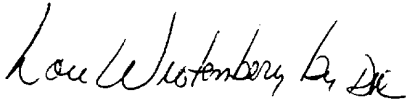
Further, the S/2 of Section 32 is to be dedicated to this well in order to form a standard 320-acre lay-down gas spacing and proration unit for the Angels Peak-Gallup Associated Pool.

The location of this well is considered to be unorthodox, pursuant to Rule 2(b) of the "General Rules and Regulations for the Associated Oil and Gas Pools of Northwest New Mexico and Southeast New Mexico/Special Rules and Regulations for the Angels Peak-Gallup Associated Pool," as promulgated by Division Order No. R-5353, as amended.

By the authority granted me under the provisions of Rule 2(c) of these special pool rules, the above-described unorthodox Gallup gas well location for the Huerfano Unit Well No. 227 is hereby approved.

Once the Gallup interval in this well is successfully completed and should the completion be classified an "oil well", the operator shall seek an amendment to this order pursuant to Rules 2(b) and (c) of these special rules.

Sincerely,

A handwritten signature in black ink, appearing to read "Lori Wrotenberg, Director". The signature is written in a cursive style.

Lori Wrotenberg
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec ✓
New Mexico State Land Office - Santa Fe